# 2014

# SMALL BUSINESS, BIG IMPACT

## ALBERTA SMALL BUSINESS PROFILE

Alberta Government

# CONTENTS


1 PREFACE

2 HIGHLIGHTS

3 SMALL BUSINESSES IN ALBERTA

14 KEY INDUSTRIES IN FOCUS

- 14 Manufacturing
- 16 Architecture, Engineering and Construction
- 18 Transportation
- 19 Tourism

22 REGIONAL SNAPSHOT

27 A STRONG ECONOMY WITH STRONG PROSPECTS

# PREFACE

Small businesses in Alberta have demonstrated they are a vital lynchpin to the provincial economy. From the small environmental consulting firm to the family-owned trucking company, small businesses meet the diverse needs of Albertans throughout the province. Without small businesses, many of our province's achievements would not be possible.

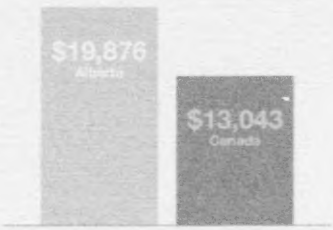
Small businesses are also key contributors to employment, income, and quality of life in communities, and they are not slowing down. As outlined in the following pages, small businesses are not only surviving, they are thriving. Between 2012 and 2013, over 10,000 small businesses were added to Alberta's business landscape. Along with this sharp increase in numbers, small businesses generated the second-highest GDP per capita in the country, demonstrating an impressive ability to create wealth, making Alberta a great place to do business.

The *2014 Small Business, Big Impact: Alberta Small Business Profile* provides useful statistics about the contributions made by small businesses to the provincial economy and their roles in some of Alberta's important and growing industries.

# HIGHLIGHTS

## The overwhelming majority.

Small businesses are strongly represented across Alberta's economy, making up 95 per cent of all businesses in the province.




## Strong contributors to the economy.

In 2013, Alberta's small businesses were leaders among Canadian provinces, generating a GDP per capita that far exceeded the national average.

## Job creators.

Small businesses in Alberta are responsible for 35 per cent of all private sector employment in the province.

## Continued growth.

Between 2003 and 2013, the number of small businesses in Alberta increased by nearly 19 per cent - the second highest growth rate in Canada.

## Creators of value.

In 2012, small businesses contributed to 25 per cent of Alberta's Gross Domestic Product.

# 1 SMALL BUSINESSES IN ALBERTA

Small businesses in Alberta are more energized than ever before, actively growing while they identify and seize new opportunities.

Small businesses are essential players in Alberta's business landscape. They fill a variety of roles and niches and can be found in every corner of the province and every aspect of the provincial economy.

In many ways, they are responsible for propelling our province's development forward. Even in Alberta's resource industries, large, multinational companies rely heavily on small businesses for countless goods and services. Small business is vital not only for our economy, but also for the quality of life that Alberta's communities enjoy.

As small businesses in Alberta increase in numbers, they are more energized than ever before, actively growing while they identify and seize new opportunities.

For the purposes of this publication, a small business is one that has between 1 and 49 employees[1]. It is recognized that Alberta is home to many self-employed individuals who make considerable contributions to the provincial economy. However, as these individuals do not have paid employees, they are not considered small businesses for the purposes of the statistics in this publication.

1 Statistics, tables and figures in this document are based on this definition, unless stated otherwise.

## Small in size but overwhelming in numbers

Small businesses continue to represent the overwhelming majority of businesses in the province. In 2013, small businesses comprised 95 per cent of all businesses in Alberta, the same proportion as in 2012.

TABLE 1

### Number of Businesses in Alberta, 2013

| | # of Businesses | % of Total |
|---|---|---|
| Total Small Businesses | 158,049 | 95% |
| Total Medium & Large Businesses | 7,558 | 5% |
| Total All Businesses | 165,607 | 100% |

Source: Statistics Canada (Canadian Business Patterns)

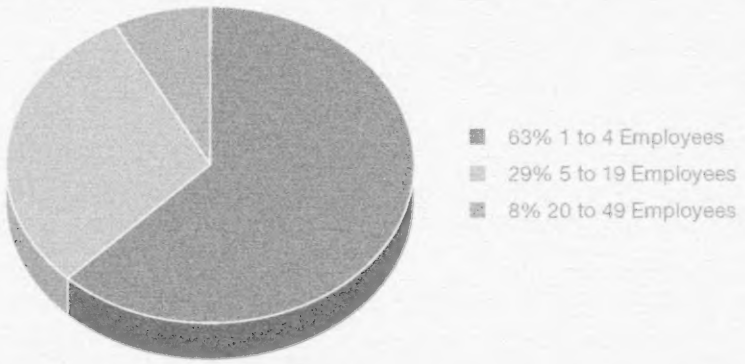
Year-over-year, the total number of small businesses in Alberta grew by over 10,000, an increase of seven percent. The number of medium and large businesses also increased by seven percent compared to 2012.

This sizeable growth rate is a reflection of Alberta's economic growth. Businesses of all sizes are taking advantage of economic opportunities, which are attracting large numbers of new small business entrants.

Nearly two-thirds of small businesses are "micro-businesses"; that is, they have only between one and four employees. Small businesses with more than four employees are less common.

FIGURE 1

### Share of Total Small Businesses, by Employee Size

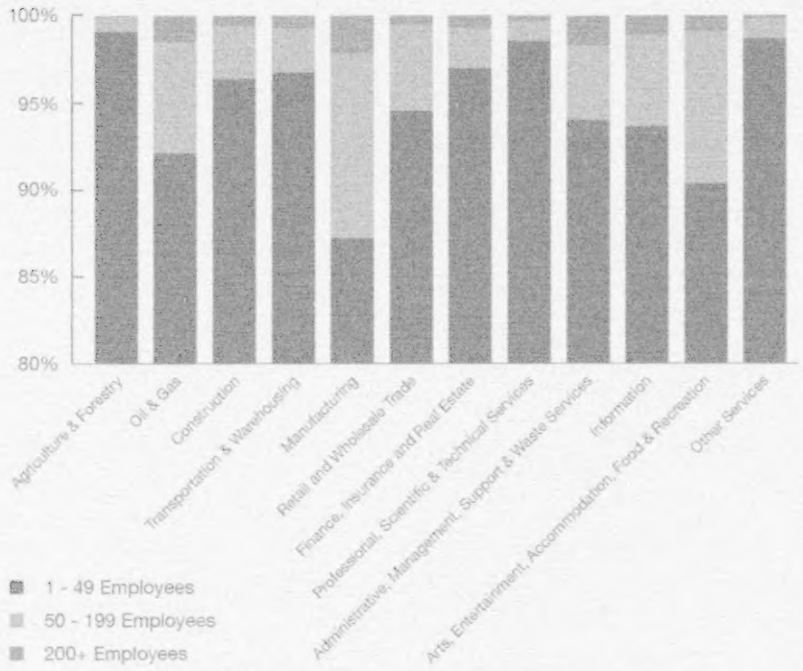



Source: Statistics Canada (Canadian Business Patterns)

Small businesses across the economy make up close to 90 percent of all businesses within the province. Their widespread strength in numbers is one indicator that small businesses play vital roles in all parts of Alberta's economy. Rather than being focused on a handful of areas, small businesses can be found everywhere, selling their products and services to consumers, and other businesses, small and large.

FIGURE 2

Percentage of Businesses by Enterprise Size and by Industry in Alberta, 2013




Source: Statistics Canada (Canadian Business Patterns)

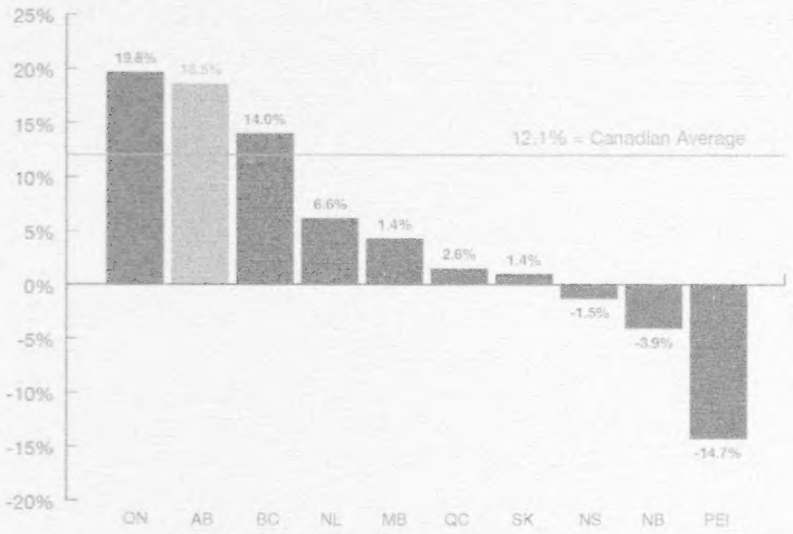
## Leading the country in small business growth

Without question, Alberta continues to be one of the best places in Canada to establish a small business and find success. Our province remains a national leader in small business growth, with the number of small businesses rising by almost 19 percent over the past ten years. This far outpaces the Canadian growth rate of 12.1 percent.

The growth profile of small businesses suggests that Alberta is not only welcoming new business entrants, but seeing businesses scale up.

FIGURE 3

Small Business – Cornerstone of the Economy 2003-2013
[Percentage Change in Small Business Establishments]




Source: Statistics Canada (Canadian Business Patterns)

Interestingly, the growth profile of small businesses suggests that Alberta is not only welcoming new business entrants, but seeing businesses scale up with time. Between 2008 and 2013, the number of micro-businesses has grown by nearly 12 percent. This is consistent with previous years, as new business entrants tend to start out small. Over the same period, however, the number of "large" small businesses (i.e., those with 20 to 49 employees) has grown by nearly 16 percent. This suggests that several small businesses have taken on more employees and scaled up to seize more and better opportunities.

TABLE 2

## Net Growth in Number of Businesses 2008-2013

| Change by Business Size | Change in # of Businesses | Growth Rate |
|---|---|---|
| Change in Small Businesses | 14,730 | 10.3% |
| Businesses with 1 to 4 Employees | 10,558 | 11.9% |
| Businesses with 5 to 19 Employees | 2,484 | 5.6% |
| Businesses with 20 to 49 Employees | 1,688 | 15.9% |
| Change in Medium and Large Businesses | 911 | 13.7% |
| **Total Change in Number of All Businesses** | **15,641** | **10.4%** |

Source: Statistics Canada (Canadian Business Patterns)

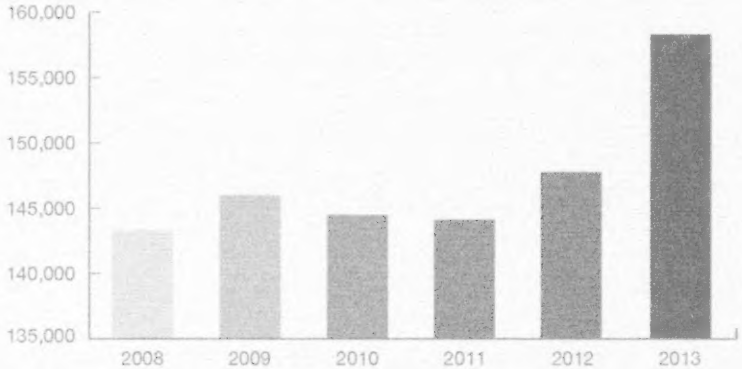
With a business-friendly atmosphere and competitive tax rates, the province continues to welcome substantial investment. This is fostering many diverse opportunities, making Alberta an excellent place to start a business and find success.

Albertans also have a favourable view of business ownership and an entrepreneurial bent, as shown in the Global Entrepreneurship Monitor (GEM). The GEM is an annual survey of entrepreneurship activity, aspirations and attitudes of individuals around the world. According to the GEM, nearly 60 percent of Albertans see entrepreneurship as a good career choice, and approximately 35 percent of Albertans know someone who has started a business in the past two years. Albertans also feel confident about business ownership; nearly 60 percent feel they have the knowledge and skills to launch a venture.

These factors perhaps help explain a noticeable upswing in small businesses between 2012 and 2013.

FIGURE 4

## Number of Small Businesses in Alberta, 2008-2013




Source: Statistics Canada (Canadian Business Patterns)

Small businesses weathered a volatile period around the economic downturn, which Alberta experienced in 2009. Their ranks rose and fell in response to changing employment conditions. By 2011, Alberta's economic recovery took hold and the number of small businesses grew steadily in recent years.

Between 2012 and 2013, the number of small businesses rose sharply, providing further indication that Alberta's economy is on very firm footing.

The ranks of small business are swelling as entrepreneurial Albertans respond to new opportunities generated by the province's economic and population growth. If this expansion continues, it is reasonable to assume the number of small businesses in Alberta will hit a new high in 2014.

## Playing essential roles in building Alberta

Small businesses play vital roles across the entire economy. This is particularly the case in the industries of construction; professional, scientific and technical services; and retail and wholesale trade. Approximately half (51 percent) of all small businesses in Alberta operate in these industries.

This makes sense when you consider the nature of Alberta's economy and investments being made around the province.

Natural resource development, especially energy development, continues to be a mainstay of Alberta's economy. Resource extraction and processing requires substantial technical and professional expertise, including architecture, engineering, environmental and inspection services. Large resource companies often look to small businesses to subcontract a number of these services.

Investments in energy and other natural resource development have positive impacts in other parts of the economy. This, along with population growth, contributes to residential, commercial and industrial construction demands. Sixteen percent of all small businesses in Alberta are involved in a great build-out that continues to take place across the province.

This expansion generates a great deal of trade as industries, businesses and consumers open their pocketbooks. In 2013, Alberta had wholesale trade valued at over $78.6 billion, and retail sales valued at over $73.1 billion. Albertans had the highest average weekly earnings amongst all Canadians in 2013, giving the province significant purchasing power and attracting many small businesses to retail and wholesale trade.

Small businesses in certain sectors are responsible for a greater share of employment relative to their numbers. For example, only 3 percent of Alberta's small businesses are found in manufacturing but they account for 7 percent of all small business employment. Similarly, only 7 percent of small businesses are in arts, entertainment, accommodation, food and recreation; however they employ 15 percent of all Albertans who work for a small business.

In 2013, Alberta had wholesale trade valued at over $78.6 billion, and retail sales valued at over $73.1 billion.

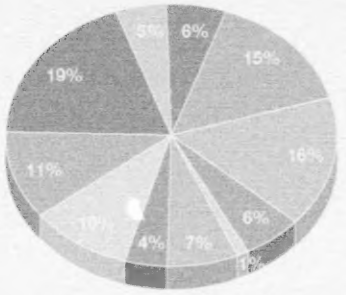
FIGURE 5

## Proportion of Small Businesses in Alberta by Sector, 2013

Source: Statistics Canada (Canadian Business Patterns)

FIGURE 6

## Share of Small Business Employees in Alberta by Sector, 2013




Source: Survey of Employment, Payrolls and Hours (SEPH)

*Agriculture statistics unavailable

## Standing out in Canada and holding strong

In 2013, Alberta's real Gross Domestic Product grew by 3.9 percent, the third-strongest growth rate among the provinces. The province also passed the four million mark in population, as between June 2012 and June 2013 over 105,000 people moved from other provinces and countries to call Alberta home.

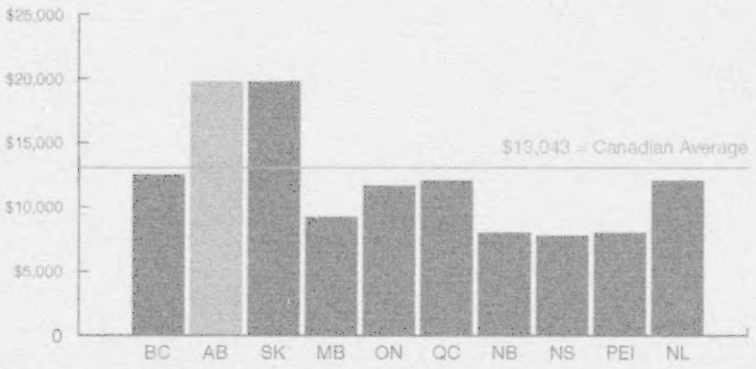
Compared to those in other provinces, small businesses in Alberta stack up very well.

Small businesses remain a sizeable and important portion of the provincial economy, contributing 25 percent of Alberta's GDP. This is in line with the GDP contributions of small businesses in other provinces. When you consider that Alberta's GDP is heavily influenced by the activity of many large natural resource companies, the contribution of small businesses is all the more impressive.

In 2012, Alberta's small businesses generated the second-highest GDP per capita in Canada. Small businesses in Alberta and Saskatchewan have both stood out as leaders in this measure for several years, eclipsing other provinces and far outpacing the Canadian average.

FIGURE 7

### Small Business GDP per Capita by Province, 2012



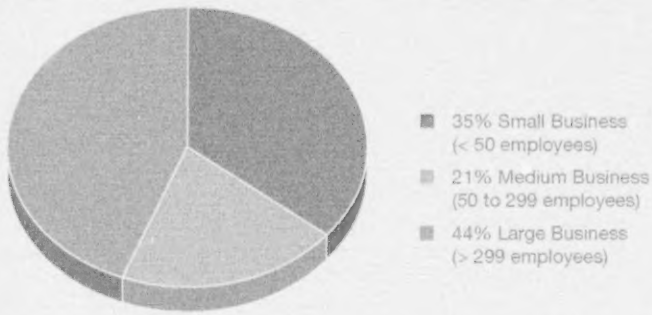

Source: Statistics, Canada BC Stats

Small businesses in Alberta also continue to punch above their weight in generating employment opportunities.

In 2013, over a third (35 percent) of all private sector employment in the province was attributable to small businesses, the same proportion as the previous year. This is slightly below the Canadian average, but very much in line with most other provinces. This is remarkable considering the uniqueness of Alberta's economy, particularly with respect to its position in natural resource development. There are many large corporations in the province employing thousands of Albertans. One might therefore expect small business' share of the workforce to be fairly low. Instead, Alberta's small businesses are holding their own as a consistent and significant source of employment.

FIGURE 8

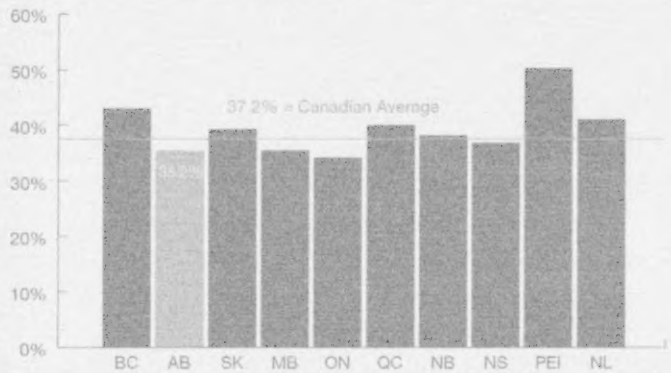
## Share of Total Employment in Alberta, 2013




Source: Statistics Canada (SEPH)

FIGURE 9

## Small Business as a Percentage of Private Sector Employment by Province, 2013

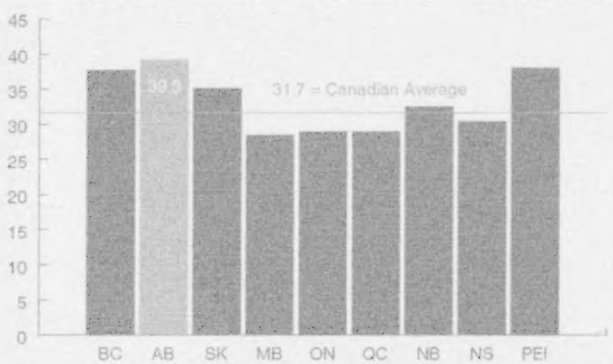



Source: Statistics Canada (SEPH)

Once again, Alberta is a leader in Canada for the number of small businesses per 1,000 people. This reflects the province's diverse economic opportunities and its success in creating a business-friendly climate that encourages people to establish a business and chase their entrepreneurial dreams.

FIGURE 10

## Number of Small Business per 1,000 People by Province, 2013



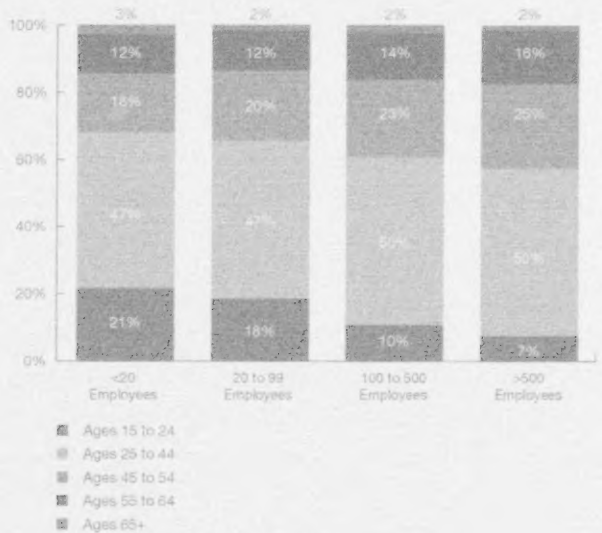

Source: Statistics Canada (Canadian Business Patterns)

## Engaging Alberta's youth in the workforce

Small businesses remain an important source of employment for young people in the province. Continuing a longstanding trend, the age profile of employees in small businesses trends younger than in medium and large businesses. In 2013, among businesses with less than 20 employees, nearly one quarter (21 percent) of employees were between the ages of 15 and 24. In comparison, only seven percent of large companies' workforces were comprised of people in this age range.

FIGURE 11

### Age Structure of Employment by Enterprise in Alberta, 2013




Source: Statistics Canada (Labour Force Survey (LFS))

This trend is likely due to the nature of opportunities in different sizes of businesses. Larger companies often have greater financial flexibility than small businesses, and can attract older and more experienced workers at higher rates of pay. This puts small businesses in the unique position of serving as a training ground for younger workers who are looking to gain experience and launch their careers.

# LOCALIZE

## EDMONTON, AB

*Photo Credit Mack Male*

Meghan Dear was frustrated. She was shopping for groceries and, like a growing number of consumers, wanted to know more about the food in the store. Where was it coming from? The question seemed simple enough, but the answer was elusive. Information on display in the store was poorly presented. It wasn't consistent, and sometimes wasn't even all that informative. Meghan's entrepreneurial side decided to take action to fill this gap, and from there, Localize was born.

Localize provides a quick and easy way for customers to get the information about the food they buy, identifying the products in stores that originate locally. Localize does the hard, and often time consuming work that can be daunting and complex for many grocers. With innovative research methods, the Localize team reaches out to food producers to gather and confirm information about the origins of that food and keeps that information up-to-date. Using the results of that research, Localize "scores" food based on production location, ownership location, ingredient origins and sustainability.

Grocers participating in Localize are provided with labels that feature unique Quick Response (QR) codes, which they can use to place a label on the shelf beneath their products. Customers in store can view a summary of where the product has come from on the label, and if they want more information, they can use their cell phones to scan the QR code, and get the full story of that product within seconds, enabling them to make more-informed choices as they shop. The result is win-win-win, for food producers, grocers and customers.

Today, hundreds of grocers participate in Localize — an amazing success that started out with a great idea and grassroots engagement. In 2011, Meghan produced a prototype Localize label and visited a number of local grocers. At Sobeys Nottingham in Sherwood Park, which was known for supporting local producers, Meghan was asked to start the following week. Five labels in one store eventually grew into hundreds of labels in hundreds of stores. Localize has since won awards for the Best Social Business Case in the Social Enterprise World Forum, and the Grand Prize Fast Growth in the TEC VenturePrize competition in Alberta.

Meghan cites the hard work of her team as key to Localize's success. "The real innovation for Localize has been putting really smart people together to concentrate entirely on tough problems. We've put a lot of time and sweat into collectively dissecting problems and testing solutions." Localize is now on a track to intensify its work by leveraging its data collection and analytic capabilities. It's also looking to expand across Canada and into the United States, and recently put new boots on the ground in Ontario.

"One of our greatest assets has been starting Localize in Alberta," explains Meghan. "There's an energy here for new solutions and a momentum for new ideas."

localizeyourfood.com

# 2 KEY INDUSTRIES IN FOCUS

In 2013, the value of Alberta manufacturing shipments rang in at $73.8 billion.

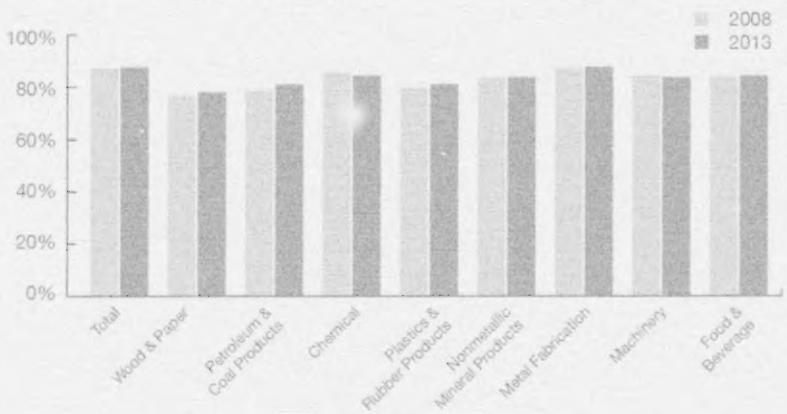
In this section we take a closer look at some of Alberta's key industries including: manufacturing; architecture, engineering and construction; transportation; and tourism. These industries have particular importance for Alberta's economy and small businesses are key players in these industries.

## Manufacturing

The manufacturing industry in Alberta remains one of the key industries in the province. In 2013 the manufacturing sector accounted for 6.9 percent of the province's GDP, and the value of Alberta's manufacturing shipments rang in at $73.8 billion[2].

Most of Alberta's manufacturing is undertaken by small businesses, with these firms comprising 87 percent of all businesses in the industry. Many of these small businesses are providing manufactured components for large companies.

FIGURE 12
Small Business as a Percentage of the Manufacturing Industry in Alberta, 2008 & 2013




Source: Statistics Canada (Canadian Business Patterns)

2 Source: Alberta Innovation and Advanced Education: Highlights of the Alberta Economy, 2014.

Small businesses working in metal fabrication and machinery manufacturing make up one third of all small manufacturing businesses in the province. Over the past five years, these two sectors grew by 4 and 2 percent respectively. Small businesses in these industries have clearly benefited from the substantial levels of investment that have been flowing into energy development and construction within the province.

TABLE 3
Total Small Business in Manufacturing in Alberta, 2008 & 2013

| Industry Grouping | 2008 | 2013 | 5-Year Change |
|---|---|---|---|
| Total Manufacturing | 4,658 | 4,682 | 1% |
| Wood & Paper | 269 | 265 | -1% |
| Petroleum & Coal Products | 37 | 42 | 14% |
| Chemical | 185 | 181 | -2% |
| Plastics & Rubber Products | 135 | 140 | 4% |
| Nonmetallic Mineral Products | 210 | 203 | -3% |
| Metal Fabrication | 967 | 1,006 | 4% |
| Machinery Manufacturing | 611 | 623 | 2% |
| Food & Beverage Manufacturing | 428 | 426 | 0% |

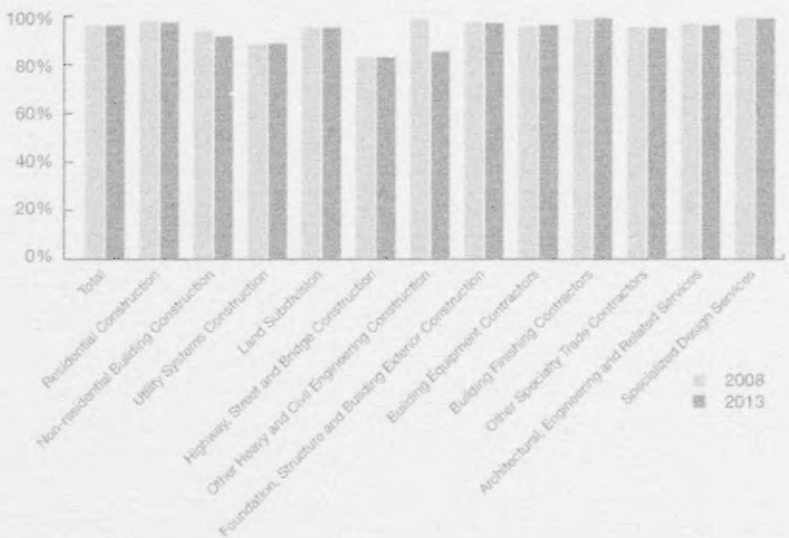
Source: Statistics Canada (Canadian Business Patterns)

## Architecture, Engineering and Construction

A striking development during the past year has been a marked rise in the number of small businesses in the architecture, engineering and construction industry. There were nearly 29,000 small businesses in this industry in 2013 – a 12 percent increase from 2012. As in previous years, small businesses comprise the overwhelming majority of businesses in every sub-sector in this industry.

FIGURE 13

Small Businesses as a Percentage of Total Architecture, Engineering, and Construction Industry in Alberta, 2008 & 2013




Source: Statistics Canada (Canadian Business Patterns)

The boost in small businesses has been widespread across this industry, but is especially evident in residential construction, building equipment contractors and building finishing contractors. Compared to the previous year, there were 424 additional small businesses in residential construction, 393 additional small building equipment contractors, and 520 small building finishing contractors.

A look at the growth of residential neighbourhoods in Edmonton and Calgary helps to understand how opportunities have exploded for small businesses within this industry. With thousands of people moving to Alberta from across Canada and around the world, demand for housing has remained strong. Good employment opportunities, stable income levels, and low interest rates have also made it an attractive time for people to build new homes and for businesses to invest in multi-family residential buildings.

The number of small businesses in non-residential building construction has also grown between 2012 and 2013, with 158 additional small businesses in this sub-sector. With Alberta's economy now on sure footing and actively growing, commercial and industrial activity is brisk.

Alberta's growing economy has also attracted an increasing number of small businesses providing architectural, engineering and related services. The majority of these are consulting firms with a handful of employees, serving many different types of construction projects at various stages of development. These businesses also tend to be fairly easy to start, with a minimal amount of overhead. A number of new entrants in this sub-sector may be business owners, who were previously employed by large companies and, lured by the amount of opportunity in the sector, chose to strike out on their own during the past year.

TABLE 4

## Total Small Businesses in Architecture, Engineering, and Construction in Alberta, 2008 & 2013

| Industry Grouping | 2008 | 2013 | 5-Year Change |
|---|---|---|---|
| Total Architecture, Engineering, and Construction | 25,463 | 28,950 | 14% |
| Residential Construction | 3,707 | 4,244 | 14% |
| Non-residential Building Construction | 988 | 1,252 | 27% |
| Utility Systems Construction | 1,033 | 1,250 | 21% |
| Land Subdivision | 475 | 430 | -9% |
| Highway, Street and Bridge Construction | 325 | 341 | 5% |
| Other Heavy and Civil Engineering Construction | 92 | 122 | 33% |
| Foundation, Structure, and Building Exterior Contractors | 3,126 | 3,274 | 5% |
| Building Equipment Contractors | 3,710 | 4,411 | 19% |
| Building Finishing Contractors | 3,796 | 4,147 | 9% |
| Other Specialty Trade Contractors | 2,057 | 2,540 | 23% |
| Architectural, Engineering, and Related Services | 5,591 | 6,277 | 12% |
| Specialized Design Services | 563 | 662 | 18% |

Source: Statistics Canada (Canadian Business Patterns)

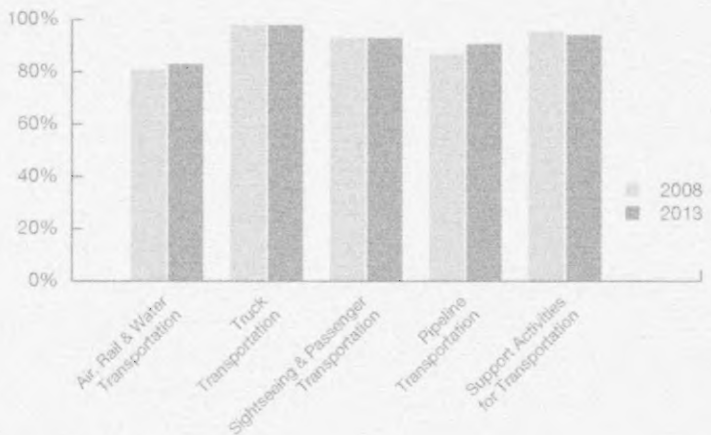
# Transportation

The importance of transportation to Alberta's economy cannot be overstated. Alberta companies, their employees and their customers all rely on the transportation industry. Transportation businesses facilitate the efficient movement of people and goods, enabling products to reach consumers, industries to reach resources, and service providers to reach clients.

Small businesses make up at least 80 percent of all businesses in each major sub-sector of the transportation industry. The highest representation of small business is in truck transportation.

FIGURE 14

## Small Businesses as a Percentage of Total Transportation Industry in Alberta, 2008 & 2013




Source: Statistics Canada (Canadian Business Patterns)

In 2013, there were 6,784 small truck transportation businesses — an increase of nearly 21 percent.

The number of small truck transportation businesses has grown by 22 percent between 2008 and 2013. This makes sense when you consider Alberta's geographic position. As a landlocked province with a high-quality highway network, we rely on freight trucks as a convenient and economical way to move merchandise. Truck transportation is a reliable way for Alberta industries and businesses to transport goods to U.S. markets and to tidewater ports.

In last year's Small Business Profile, it was noted that with Alberta's return to stable economic footing, small transportation businesses were well positioned to seize opportunities and grow. This prediction seems to have come true. It is interesting to note a sizeable jump in the number of small businesses in only one year. Between 2012 and 2013 the number of small truck transportation businesses grew from 5,619 to 6,784 - an increase of nearly 21 percent.

This serves as a very clear indicator that Alberta's economy has not only recovered, but is actively growing. Substantial growth in the number of small businesses in the transportation industry suggests a considerable increase in shipping opportunities, based on a higher production of goods.

TABLE 5
Total Small Businesses in Transportation in Alberta, 2008 & 2013

| Industry Grouping | 2008 | 2013 | 5-Year Change |
|---|---|---|---|
| Total Transportation | 6,816 | 8,180 | 20% |
| Air, Rail, & Water Transportation | 121 | 132 | 9% |
| Truck Transportation | 5,561 | 6,784 | 22% |
| Sightseeing & Passenger Transportation | 363 | 382 | 5% |
| Pipeline Transportation | 89 | 104 | 17% |
| Support Activities for Transportation | 682 | 778 | 14% |

Source: Statistics Canada (Canadian Business Patterns)

## Tourism

Alberta boasts a range of cultural, historical and outdoor delights that make the province an attractive tourism destination. Tourism also provides many opportunities for economic growth and diversification in Alberta. In 2012, direct visitor spending by all tourists (resident and non-resident) in Alberta was over $7.41 billion. In addition, Alberta reported for the same year 13.49 million person-nights of overnight accommodation stays[3].

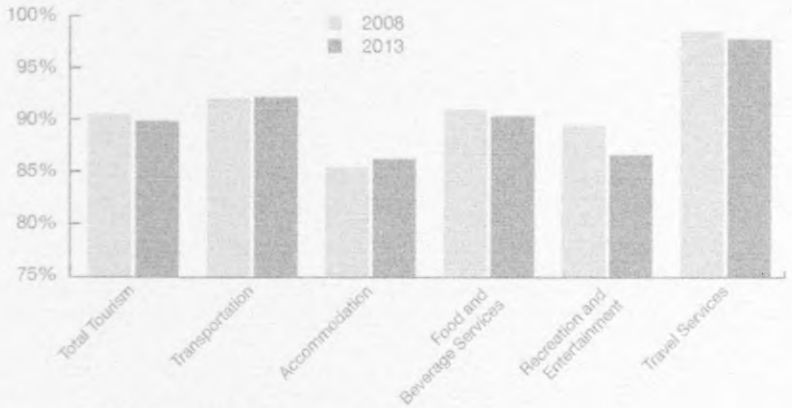
The tourism industry is overwhelmingly comprised of small businesses. In all industry sectors they represent at least 85 percent. The highest percentage of small business is found in the travel services sub-sector, while small business representation is the lowest in the accommodation sub-sector. This may be due to the presence of large hotel chains in this sector contributing considerably to the accommodations offered.

In 2013, there were over 10,000 small tourism businesses in the province — 15 percent more than the previous year. Between 2008 and 2013, the number of small tourism businesses grew by 8 percent. In the sub-sectors transportation, accommodation, and food and beverage services, the number of small businesses grew by 9, 12 and 14 percent respectively. At the same time, small business representation in other sub-sectors, such as recreation and entertainment and travel services, declined.

3 Source: Statistics Canada and Tourism, Parks and Recreation

FIGURE 15

## Small Businesses as a Percentage of Total Tourism Industry in Alberta, 2008 & 2013




Source: Statistics Canada (Canadian Business Patterns)

Much of this growth has been in food and beverage services and accommodation, since most visitors spend money in these two areas. However these sub-sectors also benefit from day-to-day spending by Albertans and Alberta businesses. For example, workers in resource industries will make use of these types of services across the province when they are away from home, often in rural areas.

Growth in the number of small tourism businesses illustrates their resilience. Despite some challenges, such as the ongoing strength of the Canadian dollar, small tourism businesses are finding opportunities and realizing success.

TABLE 6

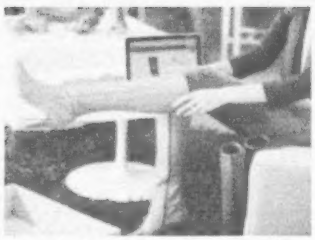
## Total Small Businesses in Tourism in Alberta, 2008 & 2013

| Industry Grouping | 2008 | 2013 | 5-Year Change |
|---|---|---|---|
| Total Tourism | 9,295 | 10,068 | 8% |
| Transportation | 651 | 707 | 9% |
| Accommodation | 977 | 1,095 | 12% |
| Food and Beverage Services | 5,989 | 6,851 | 14% |
| Recreation and Entertainment | 1,230 | 1,022 | -17% |
| Travel services | 448 | 393 | -12% |

Source: Statistics Canada (Canadian Business Patterns)

# POPPY BARLEY

## EDMONTON, AB



Years ago, before the shoe industry was almost entirely consumed by mass manufacturing, cobblers used barleycorns and poppy seeds as measurement units when making custom footwear for clients. Fast forward to the present, that traditional approach seems lost to the sands of time. The vast majority of shoes come in standard sizes, mass produced by manufacturers who engineer footwear for average shapes and widths.

For Justine Barber, and people like her, those same mass-manufactured shoes came with discomfort. As Justine would come to discover through research, 60 percent of women struggle to find shoes due to fit issues, all the while growing increasingly tired of cookie-cutter, "fast fashion". After an unexpected (and welcome) experience getting a pair of boots custom-made, Justine had a vision. Why shouldn't every woman with a measuring tape and internet connection be able to obtain affordable, high-quality custom footwear? Justine convinced her sister Kendall of the potential, and the Barber sisters sought to realize the vision.

A critical turning point came when, on a trip to source a factory, the sisters met Lupita Lyons and Laura Obregon. Together the four women realized they could do much more than make custom boots. They could transform the shoe industry by re-thinking every step — from sales, to manufacturing, to distribution and everything in between. Soon after, Poppy Barley was up and running.

Taking its name from those traditional measurement units of cobblers past, Poppy Barley is much more than a custom footwear maker. The company combines advanced pattern making, digital shoe lasts, and collaborative e-commerce with the art of shoemaking. The result is an unleashing of proprietary technology, including an extensive back-end system that ensures order management, inventory management and purchase orders are integrated with the factory in real-time.

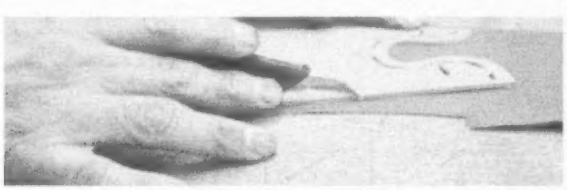
What's more, the company's supply chain embeds a commitment to ethical fashion. Customers not only receive a pair of comfortable, high-quality, made-to-measure footwear; they also receive the whole story behind the craftsmanship of their new, favourite pair of kicks. Poppy Barley shares exactly where, how and by whom their products are manufactured.

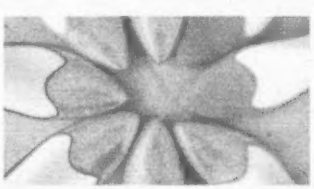
"We wanted to create a new standard in the footwear industry," says Justine. "Now women can receive beautiful fitting, one-of-a-kind, ethically made footwear — without breaking the bank."

Using an e-commerce model and a direct-to-customer approach has enabled the company to be agile and competitive. Against traditional custom and artisanal footwear houses, Poppy Barley competes favourably, offering footwear at a revolutionary price point.

Proudly based in Edmonton, Poppy Barley is marching confidently into the future. The company plans to introduce additional products and grow into new markets.

"We're committed to growing an innovative, socially-responsible company dedicated to challenging the conventions of the traditional retail model," says Justine. "We know Poppy Barley has incredible potential to be something big."





poppybarley.com

# 3 REGIONAL SNAPSHOT

## Small businesses are strongly represented across the province

In all regions of Alberta, small businesses are strongly and consistently represented. Small businesses comprise at least 95 percent of all businesses in each region, continuing a stable trend of several years.

FIGURE 16
Alberta by Region

## North West

Forestry, agriculture and oil and gas are among the major industries found in the North West. This region participates significantly in the manufacturing sector, mostly focusing on wood and forest products.

## North East

As home to Alberta's largest deposits of oil sands, the North East region has seen considerable economic growth over the past decade. In addition to oil and gas, the region has considerable forestry and agriculture activity. Construction and retail trade have been among the fastest-growing sectors.

## Capital

The Capital region has Alberta's largest manufacturing industry and accounts for 40 per cent of the province's manufacturing shipments. The region's largest employers include the health care sector, as well as construction and retail trade.

## Central

Agriculture, construction, and oil and gas are the Central region's major economic drivers. This region also contributes to the manufacturing industry, mostly concentrating on the chemical sector.

## Calgary

Home to more than a third of Alberta's population, the Calgary region has a diverse economy. On an employment basis, the region's largest industries include retail trade, professional and technical services, health care, and construction.

## South

The agriculture sector dominates the economy of the South region, which has fostered the rise of many value-added food and beverage manufacturing companies. The region is also a large producer of wind energy and conventional oil and gas.

# FIBER-WERX

## SYLVAN LAKE, AB

Scott Getschel likes a challenge. That's been a hallmark of his long track of experience, which stretches from the food services industry. to retail sales and recreational management. It's also been a hallmark of his experiences with upstart ventures. So in 2002, when Scott came on board Fiber-Werx as an investor, it didn't take long for him to seize a new challenge in innovation-driven manufacturing and ultimately become full owner of the company.

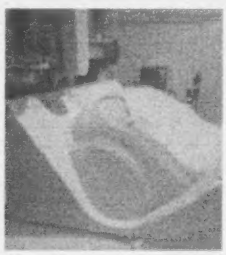
As a custom manufacturer of fibreglass products, Fiber-Werx has become expert in facing challenges with innovative, out-of-the-box thinking. With the company originally focused on boat repair and building waterslides, Scott saw opportunities to grow the business. As strong and lightweight materials, fibre reinforced plastics (FRP) lend themselves to various commercial and industrial applications —they don't rust or corrode, they don't require painting, they offer low conductivity and they are transparent to EMI and RFI frequencies. However, the fibreglass industry is strong in many developing countries. Overseas companies in places with lower labour costs and few consumer protection laws are able to offer competitive prices.

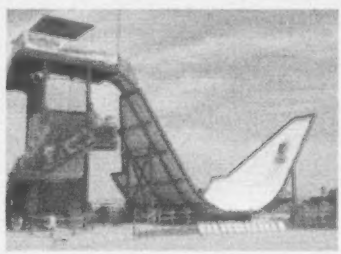
For Fiber-Werx, turning to innovative, custom fabrication has been the competitive edge. While other fibreglass manufacturers focus on pursuing economies of scale by offering only one product category made from one process, Fiber-Werx stays agile to serve a number of market demands. The company will use several unique processes to fabricate a fibreglass product that meets a customer's unique requirements. "We maintain an openness to try new things," explains Scott. "Every project is different, and we approach each customer's need as a new and exciting challenge."

Fiber-Werx has leveraged this approach with some great successes, including helping Devon Energy with a dual containment trench remediation project. Fiber-Werx is also one of only four companies registered with Transport Canada to manufacture, repair and modify FRP tanks for the transportation of dangerous goods. They were also the recipient of the Central Alberta Economic Partnerships Innovative Business Award in 2012. In addition, the company's commitment to innovation has led to its patented, people's choice award winning Rizor Tonneau Cover, with a redesign expected to roll in North American markets in 2015.

Scott points to Alberta's competitive taxes, business-friendly climate and energy industry as benefits that enable Fiber-Werx to grow in the province. While the future looks positive, Scott notes the importance of also planning ahead and never backing down from challenges. "The work we do is very physically and technically demanding, so human resources are always a consistent focus. We always need to be on a continuous learning curve from project to project."

"Innovation, collaboration, quality, integrity and service, that's how we differentiate ourselves and that's the formula for success."





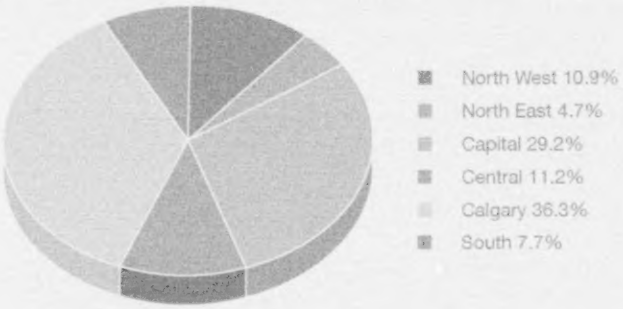
fiberwerx.ca

Nearly two-thirds of all small businesses in the province are located in the Capital and Calgary regions. This is understandable, given that the majority of Alberta's population resides in these same regions. There are likely to be more opportunities where there are concentrations of people, and businesses tend to gravitate to these areas.

The geographic distribution of small businesses in 2013 is generally stable compared to previous years. This is even the case in the North East region, in which many large resource companies are located. Nearly five percent of all small businesses in Alberta call this region home, as they continue to benefit from opportunities generated by the resource industries. Large resource companies often rely on small businesses for goods and services to support their complex operations.

FIGURE 17

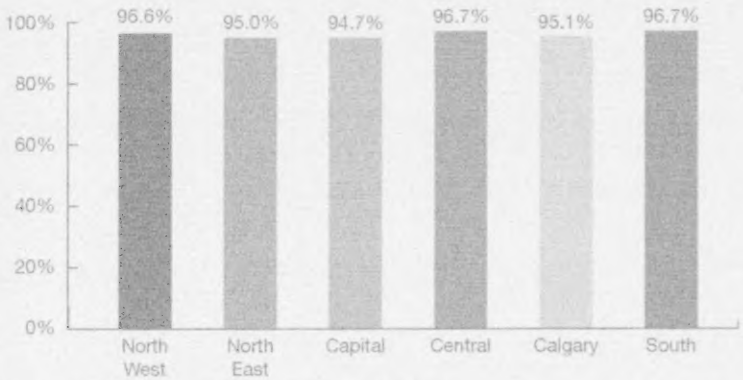
Regional Share of Alberta Small Business, 2013




Source: Statistics Canada (Canadian Business Patterns)

FIGURE 18

Small Businesses as a Percentage of All Businesses by Alberta Region




Source: Statistics Canada (Canadian Business Patterns)

# THE SILK ROAD SPICE MERCHANT

## CALGARY, AB

Colin Leach and Kelci Hind weren't restauranteurs or chefs. But they had a passion for local business and small business, and they loved to cook and bake. Colin worked for a digital marketing agency and Kelci was a Registered Nurse working in community and mental health. Outside of work, they pursued their love for cooking, exploring different recipes and styles of cuisine. It was through these adventures that they realized good ingredients weren't always easy to find, especially when it came to spices.

Despite their importance in countless recipes and styles of cuisine, spices just didn't seem to be given much attention or prominence. In grocery stores, spices were treated as extras in a cast of thousands of items, relegated to nondescript aisles along with various other sundries. Colin and Kelci sought to right this injustice, and conceived of a shop that would give spices the presentation and value they deserved.

Like their adventures of cooking, their business concept was enriched during evenings and weekends outside of their day jobs. Colin and Kelci undertook extensive research to learn as much as they could about spices and to source products, tools and packaging. For the better part of a year they developed their product knowledge — smelling, tasting, grinding, blending, cooking and working with all kinds of spices. They built a website and renovated their garage to serve as a workshop. By June 2009, Colin and Kelci felt ready, with 25 original spice blend recipes they developed themselves. Online orders soon grew into a farmer's market location and, eventually, a flagship store in Calgary. Today, Colin and Kelci are savouring success, and The Silk Road Spice Merchant is expanding with a foray into Edmonton.

"Spices have been around for millennia, but in that time some good old-fashioned business values seem to have gone by the wayside," explains Colin. "We rely on those values as our competitive edge: excellent products backed up by an excellent shopping experience, and high quality customer service."

The Silk Road Spice Merchant is certainly unique, offering a vast selection of products, including nearly every culinary spice herb that exists. The company's carefully crafted spice blends, which now number around 100, contain no preservatives, colours or fillers. Although they've considered larger-scale production methods, Colin and Kelci have made the deliberate choice to continue crafting their spice blends by hand. "It helps us stay closely in touch with our signature products, and that's important for quality."

Colin and Kelci say their biggest challenge has been learning management skills. In short order the company has grown to include 25 staff members, bringing with it the inevitable challenges of maintaining an efficient and smooth operation. However, Colin and Kelci have relished the challenges, and say keeping their focus has helped throug their startup and growth.

"Commit to your idea," advises Kelci. "When you try to be all things to all people you lack an identity and confuse customers. Develop your vision, identify your market and go for it."

silkroadspicemerchant.ca

# 4 A STRONG ECONOMY WITH STRONG PROSPECTS

Alberta is on a growth track once again. Investments in provincial industries are brisk. Cranes dot the skies of our urban centres, reflecting renewed confidence in a province known for thinking big. Our population now surpasses four million, expanding by the arrival of people from across Canada and around the world, attracted by Alberta's promise and potential.

All of this translates into new and diverse opportunities for small businesses, and they are seizing the day.

Small businesses represent some of the best entrepreneurial spirit in Alberta. Their owners are passionate about their endeavors. They face challenges with creativity. They identify and respond to niches and needs with agility. Along the way, they help build their communities, enhancing quality of life for their employees and fellow citizens.

Backed by a strong economy small businesses have strong prospects for the future — a future they will play key roles in shaping with their ingenuity and ambition.

# TERRALTA INC.

## MEDICINE HAT, AB

Laura Shivak knew the time was right. She'd been building her small business, Terralta, for many years in Saskatchewan. But Alberta offered new possibilities and if Terralta was going to seize opportunities and grow, moving to a new province made sense.

So in July 2006, Laura moved with her family and Terralta to Medicine Hat, where they've been since. For a non-traditional energy company, setting up shop in the place known as "The Gas City" has been an interesting experience — and a rewarding one.

"The challenge of picking up and moving our entire family to a new province was very difficult, but has since proven to be a great success," explains Laura. "Research showed us that people were unfamiliar with renewable energy and wanted to understand what it was all about. With Alberta being a prosperous province, we thought it would be a smart move for us."

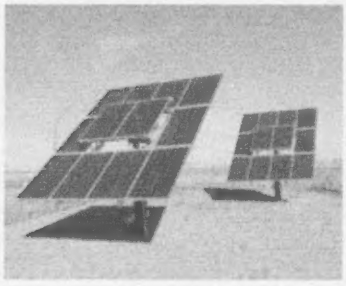
Terralta isn't the kind of business you'd expect in a province rooted in non-renewable resources, but that's provided an edge. Driven by an increasing demand for green-built homes and businesses, Terralta aims to help people heat and cool their homes in non-traditional ways. Originally specializing in geothermal and renewable energy systems, the company has increasingly focused on solar energy solutions for homeowners and businesses. Today, Terralta is a renewable energy contractor of choice for local builders in southern Alberta and southern Saskatchewan. It is also CanSIA certified installer of solar domestic and commercial hot water heating systems.

With a boom in residential and commercial construction, Alberta has offered plentiful opportunities for Terralta — financially and climatically. "Medicine Hat is a growing city and takes pride in being the sunniest city in Canada," Laura radiates, "so why not use the sun to our advantage."

Trading in innovative products and providing technology-rich services, Terralta prides itself on its highly skilled workforce and rich history in the trades. The business has been involved in plumbing, HVAC (heating, ventilating, and air conditioning), hydronics and mechanical systems for 16 years. It's led the company to develop a team of highly skilled tradespeople, including journeyman plumbers and gas fitters with great leadership and organizational skills.

Looking ahead, Terralta plans to leverage its technological knowledge and great team to further grow into the commercial field. Even though she knows there will be challenges, Laura is undaunted, and says that other small business owners shouldn't be either.

"Don't be afraid to try," she suggests. "Take a chance. Even when things look bleak, remember why you chose to follow this path. You'll be glad you did."



terralta.net

Alberta
Government

**For more information, contact:**

Entrepreneurship and Regional Development Branch
5th Floor, Commerce Place
10155 – 102 Street
Edmonton, Alberta, Canada T5J 4L6

Tel: 780-427-6291

ISBN 978-1-4601-2226-6 (Print)

ISBN 978-1-4601-2227-3 (PDF)

ISBN 978-1-4601-2228-0 (HTML)

October 2014